

STRATEGIC PLAN FOR THE VERMONT ECONOMIC PROGRESS COUNCIL

This document represents a strategic plan for the Vermont Economic Progress Council and the economic development programs administered by the Council: The Vermont Employment Growth Incentive program and the Tax Increment Financing District program. The plan includes mission statements, goals, objectives, and performance measures with benchmarks for the Council, as an organization, and for the two programs. The mission statements, goals and objectives are meant to be permanent, although the plan will be reviewed and updated by the Council at least once every two years. The performance measures and benchmarks will be reviewed annually to check performance and make changes and adjustments, as required, and to add or eliminate benchmarks, if needed. Also included are definitions to provide meaning to terms as used by the Council in this document and an explanation of the methodologies that will be used for calculating the performance measures and benchmarks. Finally, the document also includes “tactical steps,” which together represent an annual work plan in addition to the normal Council operations to administer the VEGI and TIF programs.

Approved: December 16, 2010

VERMONT ECONOMIC PROGRESS COUNCIL

STATUTORY REFERENCE: 32 VSA §5930a

MISSION STATEMENT: Improve the economic vitality of Vermont and support a diverse, sustainable future for Vermonters.

GOAL: Support the economy and citizens of Vermont through the effective and efficient stewardship and administration of state economic incentive programs that stimulate employment growth and capital investment in Vermont, result in public infrastructure investments, and generate incremental state tax revenues.

OBJECTIVES:

- All goals and objectives are reviewed at least every two years and performance measures annually.
- There is diversity and geographic representation on the Council Board, board members strive for consistent participation and attendance, and constantly seek to broaden and deepen their knowledge of issues impacting the Council.
- The Council develops and utilizes consistent processes and systems that fulfill statutory requirements and provide evidence of proper stewardship of taxpayer trust.
- All constituencies are educated and informed about the programs administered by VEPC and the positive impacts of those programs, fostering and facilitating participation in the programs by every region of the state.
- Information about VEPC and the programs the Council administers continue to be easy to use and accessible electronically.

VEPC PERFORMANCE MEASURES:

	Baseline	2010 Benchmark	2010 Actual	2011 Benchmark	2011 Actual	2012 Benchmark	2012 Actual
Outcome:							
Consistent Board Member attendance at meetings	92% (2009)	95%		95%		95%	
Economic Development Partners Awareness	Unknown	Baseline Survey		TBD		TBD	
Output:							
Number of staff business and municipal visits each year	51 (2009)	55		65		65	
Staff visit to every region each year	64% (2009)	82%		100%		100%	
Number of external educational and informational efforts	Unknown	Set baseline		Increase 20%		Increase 10%	
Number of internal educational and informational efforts	Unknown	Set baseline		Increase 20%		Increase 10%	
All processes and systems are documented	20%	50%		100%		100%	

DEFINITIONS:

- **“Consistent”** means not missing more than three board meetings in a row.
- **“Processes and systems”** refer to internal controls, operational processes utilized by staff, systems used for applications, and decision-making processes utilized by the Board.
- **“Constituencies”** means the persons and organizations interested in and involved in the work of the Council and the programs the Council administers.
- **“Regions”** means the eleven regions as organized by service area of the Regional Development Corporations, with the Champlain Islands included in a combined Franklin County/Grand Isle County region.

METHODOLOGY FOR PERFORMANCE MEASURES:

- **Board Member Attendance:** Average of monthly percentages. Monthly % = number of appointed members in attendance at monthly meeting/11.
- **ED Partner Awareness:** Based on annual survey that will produce an “awareness quotient” for each partner. Annual % = number with awareness quotient above 75%/Total number of economic development partners.
- **Staff visits to business or municipality per year:** Count of staff meetings with specific business or municipality. Will not count seminars or conferences unless specific information is provided to specific company(ies) or municipality(ies).
- **Staff visits to regions:** Annual %= 11/count region if staff had meeting in region.
- **Number of external educational and information efforts:** Count of external educational and informational efforts delivered to multiple persons at once regarding or including VEPC, VEGI , or TIF, such as seminars, media events, media instances, whether live or through electronic means (i.e. webinars, webcasts, etc.). Number in 2010 will set baseline. Annual percentage increase = (annual number)-(previous annual number)/(previous annual number).
- **Number of internal educational and information efforts:** Count of educational and informational efforts for staff and/or board members meant to broaden and deepen the staff and board understanding of and knowledge about issues before the Council. (i.e. Bond Bank discussion of bonding). Number in 2010 will set baseline. Annual percentage increase = (annual number)-(previous annual number)/(previous annual number).
- **Processes and internal control systems:** Annual % = number of total processes documented/total number of processes (about 20).

TACTICAL STEPS - 2010-2011:

- Complete Development of Mission, Goals, Objectives, Performance Measures- **DONE**
- Survey board regarding education/information needs
 - Schedule and implement board and staff training
- Schedule annual retreat (for strategic planning and review, etc)
- Indentify all processes and internal control systems to document
 - Complete documentation
- Indentify economic development partners
 - Create contact database
 - Develop Survey and quotient methodology
 - Implement Survey
- Determine 2011 external educational and information baseline
 - Implement method to track
 - Develop and schedule events for 2011

Timeline:

- By December 2010
- By February 28, 2011
- Throughout 2011-2012
- By March 2011 for late 2011
- By February 2011
- By Mid 2011
- By February 2011
- By Mid 2011
- By Mid 2011
- October 2011 and each year
- By June 2011
- By June 2011
- By July 2011

VERMONT EMPLOYMENT GROWTH INCENTIVE PROGRAM

STATUTORY REFERENCE: 32 VSA §5930b

MISSION STATEMENT: Encourage economic development in Vermont through business retention and expansion, recruitment, and start-up.

GOAL: Existing Vermont businesses grow and expand in Vermont, businesses locate expansions in Vermont and relocate to Vermont, and entrepreneurs start new businesses in Vermont, which create incremental full-time employment and payroll in Vermont, capital investment in Vermont, and generate incremental net tax revenues.

OBJECTIVES:

- The program is an effective part of an overall economic incentive package that:
 - Encourages existing businesses in Vermont to expand facilities and create employment opportunities in Vermont;
 - Encourages out-of state businesses to relocate to or expand into Vermont and increase employment opportunities in Vermont; and
 - Encourages start-up enterprises to locate in Vermont and encourage Vermont entrepreneurs to start businesses in Vermont.
- Once authorized, approved businesses:
 - Add incremental, full-time jobs with fair pay and benefits;
 - Add incremental payroll;
 - Make capital investments in machinery and equipment and facilities.
 - Increase business to business relationships within Vermont.
 - Increase involvement in their communities.
- The economic activity encouraged by the incentive program generates incremental tax revenues for the State of Vermont.
- The program works in partnership with other programs and resources for business growth and job creation.

VEGI PERFORMANCE MEASURES:

	2010 Benchmark	2010 Actual	2011 Benchmark	2011 Actual	2012 Benchmark	2012 Actual
Outcome: (NOTE: All Outcome Measures are set by aggregated data from approved applications)						
Incremental Qualifying Jobs	491		571		494	
Percentage of New Qualifying Jobs That are Vermont Residents	90%		90%		90%	
Incremental Qualifying Payroll	\$24.8 M		\$28.9 M		\$23.7 M	
Incremental Qualifying Capital Investments	\$68.3 M		\$58.7 M		\$104.5 M	
Incremental Net Revenues	\$1.0 M		\$2.3 M		\$3.0 M	
Output:						
Net revenues generated Per New Qualifying Job	\$2037		\$4028		\$6073	
Number of Applications Considered	22		25		30	
Number of Clients Served	50		60		75	
Efficiency:						
Modeling Cost Per Application Modeled	\$365	\$322	\$350		\$325	
Budgetary Cost per New Qualifying Job Created	\$287		\$247		\$285	
Customer Satisfaction with Application Process	Set up Survey		60%		75%	
Timely Annual Reporting	May 1	+48 days	May 1		May 1	

DEFINITIONS:

- **“fair pay and benefits”** means wages or salaries and benefits, which combine for compensation that is commensurate with ability and training and appropriate for the sector and region of Vermont.
- **“incremental”** means payroll or jobs that did not exist prior to the project for which incentives are authorized and which are added because of the incentive. Does not refer to employees that are filling recently vacated positions.
- **“qualifying jobs”** means full-time, non owner, permanent and paying above the VEGI wage threshold.
- **“qualifying capital investment”** means a capital investment that occurs because of the incentive or as part of a project that occurs because of the incentive and is an expenditure chargeable to a capital account (usually a depreciable asset).
- **“incremental net revenues”** are the difference between total new tax revenues generated to the State of Vermont by the economic activity of the VEGI authorized company, which would not have occurred except for the authorization of the VEGI incentive, and the total of the revenue costs of that activity plus the cost of the incentive installments [total new tax revenues from economic activity – (revenue costs of economic activity + cost of incentive payments)].
- **“Application Considered”** means the Council took up and considered an Initial or Final Application.
- **“Clients served”** means staff initiated a relationship with a company regarding the VEGI program through more than a phone call or casual meeting, such as visiting the company, communicating with the company several times through email and/or phone conversations, meeting with a company, or processing a VEGI application (any phase).
- **“budgetary cost”** means the costs of administering the VEGI program, including the portion of VEPC staff and Council and Tax Department time and operating costs allocated to the VEGI program.

METHODOLOGY:

- All **outcome benchmarks** are aggregated annual data from all approved VEGI applications. Data will be adjusted each year to reflect rescinded applications.
- **Net revenues generated per new qualifying job:** Actual annual net new revenues generated by all economic activity/actual new qualifying jobs created.
- **Modeling cost per application modeled:** Annual contract cost for modeling applications/number of applications modeled (preapplications, initial and final applications).
- **Budgetary cost per new qualifying job created:** 60% of annual VEPC budget + estimated Tax Department annual administrative costs/total annual new qualifying job creation.
- **Customer Satisfaction with Application Process:** Percentage of customers that report “Positive” or better rating of application process.
- **Timely annual reporting:** Benchmark is statutory due date. Actual will show number of days beyond due date report was filed.

TACTICAL STEPS, 2010-2011

- Calculate 60% of annual budget and Tax Department costs to administer program.
- Design and initiate customer survey.
- Ensure that VEGI application and claim system includes data to track outcomes.
- Design and initiate method for tracking client interactions.
- Ensure that annual program report incorporates these goals, objectives and measures.

Timeline:

- By February, 2011
- By June, 2011
- By February, 2011
- By February, 2011
- By May 1, 2011

TAX INCREMENT FINANCING PROGRAM

STATUTORY REFERENCE: 32 VSA §5404a(h) and 24 VSA §1891-1901

MISSION STATEMENT: Encourage economic development in Vermont communities through targeted public infrastructure investments.

GOAL: Improvements to public infrastructure encourage private development and redevelopment that provides employment opportunities, improve and broaden the tax base, and enhance the general economy of municipalities, regions, and the State.

OBJECTIVES:

- The program is an effective part of municipal economic development financing package for the improvement of public infrastructure.
- Public infrastructure improved with TIF revenue encourages private sector development and redevelopment within the TIF District.
- Private sector development generates incremental property tax revenues sufficient to finance public infrastructure.
- Public infrastructure improvements financed with TIF revenue and/or the resulting private development:
 - Includes improved water supply, wastewater treatment, storm water treatment, telecommunications, and utility systems, and new or improved parks and playgrounds;
 - Includes enhanced transportation systems, traffic patterns and public transportation, and improved transportation infrastructure;
 - Includes new housing units, including some affordable housing;
 - Results in the remediation and redevelopment of brown field sites;
 - Includes new business development, business expansion and new job creation.
- The economic activity encouraged by the TIF District generates incremental property tax revenues for the municipality and the State of Vermont.

TIF DISTRICT PERFORMANCE MEASURES:

	2010 Benchmark	2010 Actual	2011 Benchmark	2011 Actual	2012 Benchmark	2012 Actual
Outcome: (NOTE: All Outcome Measures are set by outcomes expected from approved applications)						
Improved Infrastructure						
Transportation (# projects)	Milton- 4		Milton – 3		0	
Water (#projects)	Milton - 1		0		Colchester -1	
Wastewater/Storm water (# Projects)	Milton - 1		0		Milton – 1	
Telecommunication/Utilities (# Projects)	0		0		0	
Parks/Playgrounds (# Projects)	0		0		0	
New Housing Starts (# Units)	Milton – 14		Milton – 17 Colchester - 10		Milton – 19 Colchester – 25	
New Affordable Housing Starts (#Units)	Milton -12		Milton – 6		Milton -0 Colchester - 2	
New Commercial Development Starts (#Units)	Milton - 3		Milton - 4		Milton – 3 Colchester - 1	
New Industrial Development Starts (#Units)	0		0		0	
Brownfield Redevelopment (# Acres)	0		0		0	
New Business Development (# Businesses)	0		0		0	
New Jobs Created (# Jobs)	0		0		0	
Incremental Property Tax Revenue Generated	\$362,555		\$696,815		\$994,775	
Output:						
Number of Applications Considered	2	1	3		0	
Efficiency:						
Time to consider Applications	120 Days	80 days	90 Days		N/A	
Timely Annual reports	Jan 15	+0	Jan 15		Jan 15	
Customer Satisfaction with Application Process	Set up Survey	N/A	60%		75%	

DEFINITIONS:

METHODOLOGY:

- All **Outcome Measures** are set by outcomes projected by approved TIF District Applications.
- **Time to Consider Applications:** Number of days between submittal of complete TIF District Plan and Application and completion of Board consideration.
- **Timely Annual reports:** benchmark is statutory due date. Actual is number of days past due date report is filed.
- **Customer Satisfaction with Application Process:** Percentage of customers that report “Positive” or better rating of application process.

TACTICAL STEPS - 2010-2011

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|--|-------------------|
| • Design and initiate customer survey. | By February, 2011 |
| • Ensure that application and annual municipal reporting system includes data to track outcomes. | By February, 2011 |
| • Ensure that annual program report incorporates these goals, objectives and measures. | By Jan 15, 2012 |